



Potato Diversion Program - 2000-Crop Fresh Russet

Background

Through the Potato Diversion Program (PDP), the Department of Agriculture (USDA) will pay farmers up to \$10,250,000 to divert 2000-crop fresh russet potatoes to charitable institutions, livestock feed, ethanol production, and/or render them nonmarketable and destroyed. The PDP will assist russet potato producers faced with an oversupply and will help stabilize U.S. market conditions. This program is being administered by USDA's Agricultural Marketing Service (AMS) and implemented in the field by the Farm Service Agency (FSA).

Diversion Period

Producers must divert their 2000-crop fresh russet potatoes between April 13, 2001, and June 12, 2001.

Signup Period

Signup for the program begins June 13 2001, and ends July 13, 2001. Eligible producers must file form FSA-117 for a payment at the local FSA office nearest to the producer's place of residence or where the producer's records are maintained.

Funding

PDP funds are limited to \$10,250,000. If necessary, FSA will

determine a uniform hundredweight deduction so that total outlays will not exceed the funds available under this program.

Payment Rates

USDA targets payments at \$1.00 per hundredweight for all methods of diversion. The payment rate includes all costs, including (but not limited to) processing, transportation, and inspection.

Eligibility

U.S. producers who divert all types and varieties (except sweet potatoes) of fresh russet potato production from the normal channels of trade and commerce between April 13, 2001, and May 13, 2001, are eligible to apply for the PDP payment. Producers must certify that they are in compliance with highly erodible land conservation/wetland conservation provisions and ensure that diverted potatoes are free from water damage.

Quality Requirements

Potatoes offered for diversion must meet specific minimum U.S. Grade standards as follows:

- U.S. Grade No. 2 (fairly clean) inspection for charitable institution diversion;
- U.S. Grade No. 2 processing for diversion as livestock feed,

ethanol production, and/or rendered nonmarketable and destroyed. Potatoes must be cut, chopped, sliced, gouged, crushed, ensiled, frozen, or cooked to a degree that will render the potatoes unsuitable to enter into normal channels of trade and commerce.

Before Diversion

AMS or the Federal State Inspection Service must inspect and certify all potatoes intended for diversion. The inspector must be authorized or licensed by USDA to inspect and certify the class, quality, and condition of the potatoes. A list of authorized or licensed USDA inspectors is available on the AMS web site at:

<http://www.ams.usda.gov/fv/fpboffices.html>

Information on U.S. Grade Standards is available at:
<http://www.ams.usda.gov/standards>

Potato producers must:

- provide scale tickets, weighing facilities, or volume measurements as determined by inspectors to ascertain the net weight of potatoes to be diverted;
- request, arrange, and pay for inspection and U.S. grading costs.

Fact Sheet

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Payment Documentation

Before FSA can approve an application for payment, the producer must submit the following documentation:

- Form FV-184 or FV-301 obtained from an authorized or licensed USDA grading inspector;
- For potatoes diverted to charitable institutions, a bill of lading showing shipment made to the institution(s) between April 13, 2001, and May 13, 2001;
- For potatoes diverted to livestock feed, ethanol production and/or rendered nonmarketable and destroyed, the name and address of the person(s) who received the eligible diverted potatoes.

Additional Information

The April 13, 2001, issue of the Federal Register contains a complete description of program benefits and requirements. More information is also available on the FSA web site at:

<http://www.fsa.usda.gov/dafp/psd>,
and on the AMS web site at:
<http://www.ams.usda.gov/fv/fvcomm.htm>

Or, contact the Commodity Procurement Branch, AMS Fruit and Vegetable Programs, USDA Stop 0239, 1400 Independence Ave. SW, Washington, DC 20250-0239; phone 202-720-4517; fax 202-720-2782; e-mail michelle.warren@usda.gov

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